

The Product Highlights Sheet is an important document.

Prepared on: 8 October 2021

- It highlights the key terms and risks of the ILP sub-fund and complements the Product Summary.
- It is important to read the Product Summary before deciding whether to purchase the ILP sub-fund. If you do not have a copy, please contact us to ask for one.
- You should not invest in the ILP sub-fund if you do not understand it or are not comfortable with the accompanying risks.

ASIAN INCOME FUND

Product Type	<i>ILP Sub-Fund¹</i>	Launch Date	<i>12 May 2014</i>
Manager	<i>NTUC Income Insurance Co-operative Limited (Income)</i>	Custodian	<i>The Bank of New York Mellon</i>
Capital Guaranteed	<i>No</i>	Dealing Frequency	<i>Every business day</i>
Name of Guarantor	<i>Not applicable</i>	Expense Ratio as of 31 December 2020	<i>1.45%</i>

SUB-FUND SUITABILITY

<p>WHO IS THE PRODUCT SUITABLE FOR?</p> <p>The sub-fund is <u>only</u> suitable for investors who:</p> <ul style="list-style-type: none"> • seek medium to long-term capital growth; • understand the risks associated with investing in Asian equities and Asian fixed income securities; and • appreciate that the sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed. <p>It is important that your investment suit your risk appetite. You may wish to consult your financial adviser before investing in the sub-fund.</p>	<p>For further information, please refer to “Investment Objective, Investment Scope and Fund Details” of the Fund Summary for ILP.</p>
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KEY FEATURES OF THE SUB-FUND

<p>WHAT ARE YOU INVESTING IN?</p> <p>The sub-fund aims to provide investors with income and capital growth over the medium to longer term by investing primarily in Asian equities (including real estate investment trusts) and Asian fixed income securities. The sub-fund intends to achieve this objective by investing all or substantially all of its assets in the Schroder International Opportunities Portfolio - Schroder Asian Income (underlying fund) in Class X Distribution.</p> <p>The sub-fund is denominated in Singapore dollars.</p> <p>The sub-fund currently offers a monthly distribution pay-out feature. Distributions are not guaranteed and can be made out of the income, capital gains and/capital of the sub-fund.</p>	<p>For further information, please refer to “Investment Objective, Investment Scope and Fund Details” of the Fund Summary for ILP.</p>
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Investment Strategy

<p>The underlying fund will actively allocate between Asian equities, Asian fixed income securities, cash and other permissible investments to achieve its objective. The underlying fund will use a cyclical approach to asset allocation where the asset mix will be adjusted according to the four phases of the economic cycle – recovery, expansion, slowdown and recession – based on a combination of fundamental and quantitative factors.</p> <p>For the Asian equities portfolio, the underlying fund intends to focus on companies that are able to create true shareholder value, have a strong and stable earnings stream and have a strong sustainable dividend yield.</p>	<p>For further information, please refer to “Investment Scope and Investment Approach” of the Fund Summary for ILP.</p>
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Parties Involved	
<p>WHO ARE YOU INVESTING WITH? The sub-fund is managed by NTUC Income Insurance Co-operative Limited. The manager of the Schroder International Opportunities Portfolio – Schroder Asian Income is Schroder Investment Management (Singapore) Ltd. The investment adviser to the manager is Schroder Investment (Japan) Limited.</p> <p>The custodian of the sub-fund is The Bank of New York Mellon.</p>	<p>For further information, please refer to “Fund Manager” of the Fund Summary for ILP.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT? You should consider and satisfy yourself as to the risks of investing in the sub-fund.</p> <p>An investment in the sub-fund is meant to produce returns over the long-term. You should not expect to obtain short-term gains from such investments.</p> <p>The securities and instruments in which the sub-fund may invest are subject to market fluctuations and other risks inherent in such investments and there can be no assurance that any appreciation in value will occur. The risk factors may cause you to lose some or all of your investments. A description of the major risks is provided below.</p>	<p>For further information, please refer to “Risks” of the Fund Summary for ILP.</p>
Market and Credit Risks	
<p>You are exposed to the following risks:</p> <p>Market Risks The value of investments by the underlying fund may go up and down due to changing economic, political or market conditions, or due to an issuer’s individual situation.</p> <p>Currency Risks Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of an underlying fund’s investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time.</p> <p>Credit Risks The underlying fund is subject to the risk that some issuers of debt securities and other investments made by the underlying fund may not make payments on such obligations.</p>	
Liquidity Risks	
<p>You are exposed to liquidity risks There is no secondary market for the sub-fund. All redemption requests should be made to the Manager. In exceptional circumstances, the sub-fund’s investment in the underlying fund may not be readily redeemable.</p>	
Product-Specific Risks	
<p>You are exposed to the following risks:</p> <p>Risks Relating to Investment Grade, Below Investment Grade and Unrated Debt Securities There is a risk that investment grade securities that the underlying fund invests in may be downgraded due to adverse market conditions. The underlying fund may invest in below investment grade or unrated debt securities which are generally accompanied by a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities.</p> <p>Emerging Markets and Frontier Risk Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.</p>	

Risk Relating to Distributions

The manager of the underlying fund has the absolute discretion to determine whether a distribution is to be made. The Manager also reserves the right to review and make changes to the distribution policy from time to time.

Financial Derivatives Risks

The underlying fund may use financial derivative instruments as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The underlying fund’s ability to use such instruments successfully depends on the Manager’s ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager’s predictions are wrong, or if the financial derivative instruments do not work as anticipated, the underlying fund could suffer greater loss than if the underlying fund had not used such instruments.

Risks Associated with the Stock Connect

The underlying fund may invest in China A-Shares directly via the Stock Connect.

Risks Specific to China

Changes in China’s political, social or economic policies may significantly affect the value of the underlying fund’s investments.

Onshore Renminbi Currency Risk

Currency control decisions made by the Chinese government could affect the value of the underlying fund’s investments and could cause the underlying fund to defer or suspend redemptions of its shares.

Risk Associated with the China Interbank Bond Market

The underlying fund may invest in the China Interbank Bond Market via the Bond Connect which is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Premium Charge	Premium charge may apply. Please refer to the fees and charges in the Product Summary of the applicable ILP for details.
Policy Fee	Policy fee may apply. Please refer to the fees and charges in the Product Summary of the applicable ILP for details.
Switching Fee	We currently don’t charge for fund switches. Please refer to the fees and charges in the Product Summary of the applicable ILP for details.
Surrender Charge	Surrender charge may apply. Please refer to the fees and charges in the Product Summary of the applicable ILP for details.

There may be other fees and charges imposed at the investment-linked product level. Please refer to the Product Summary of applicable ILP which you have purchased or intend to purchase for details.

For further information, please refer to “Fees and Charges” in section 4 of the Product Summary for ILP.

<p><u>Payable by the ILP sub-fund from invested proceeds</u> The sub-fund will pay the following fees and charges to the Manager and other parties:</p>																											
<table border="1"> <tr> <td>Annual Management Fee</td> <td>1.25% per annum, including the management fee charged by the investment manager of Schroder Asian Income Fund. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.</td> </tr> </table>	Annual Management Fee	1.25% per annum, including the management fee charged by the investment manager of Schroder Asian Income Fund. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.																									
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VALUATIONS AND EXITING FROM THIS INVESTMENT																											
<p>HOW OFTEN ARE VALUATIONS AVAILABLE? The sub-fund is valued daily on an offer/bid basis. All transactions for ILP are based on forward pricing. The prices are updated on the website of Income on each business day.</p> <p>HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO? You can exit the sub-fund at any time by informing the insurer, either directly or through the financial adviser from whom you purchased the sub-fund. If you do so within the cancellation period of 14 days from time of purchase, you may do so without incurring the sales charge and fees stated above. However, you will have to take the risk for any price changes in the NAV of the sub-fund since you purchased it. You will receive the sale proceeds within 7 business days from the time the insurer receives your request to exit from the sub-fund. Your exit price is determined as follows:</p> <ol style="list-style-type: none"> 1. If you submit the redemption order before 3 pm on a business day, you will be paid a bid price based on the net asset value of the sub-fund at the close of that business day. 2. If you submit the redemption order after 3 pm, you will be paid a price bid based on the net asset value at the close of the next business day. <p>The sale proceeds that you will receive will be the exit price multiplied by the number of units sold, less any charges as stated in the terms of the ILP, if applicable. An example, assuming that redemption charge is not applicable, is as follows</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Exit price</td> <td style="text-align: center;">X</td> <td style="text-align: right;">Number of units sold</td> <td style="text-align: center;">=</td> <td style="text-align: right;">Gross Sale Proceeds</td> </tr> <tr> <td style="text-align: right;">S\$1,250</td> <td style="text-align: center;">X</td> <td style="text-align: right;">1,000</td> <td style="text-align: center;">=</td> <td style="text-align: right;">S\$1,250</td> </tr> <tr> <td colspan="5"> </td> </tr> <tr> <td style="text-align: right;">Gross Sale Proceeds</td> <td style="text-align: center;">-</td> <td style="text-align: right;">Redemption Charge</td> <td style="text-align: center;">=</td> <td style="text-align: right;">Net Sale Proceeds</td> </tr> <tr> <td style="text-align: right;">S\$1,250</td> <td style="text-align: center;">-</td> <td style="text-align: right;">S\$0.00</td> <td style="text-align: center;">=</td> <td style="text-align: right;">S\$1,250</td> </tr> </table> <p>Depending on the ILP that you are investing in, a redemption charge may be applicable. Please refer to the Product Summary of the ILP for more details.</p>		Exit price	X	Number of units sold	=	Gross Sale Proceeds	S\$1,250	X	1,000	=	S\$1,250						Gross Sale Proceeds	-	Redemption Charge	=	Net Sale Proceeds	S\$1,250	-	S\$0.00	=	S\$1,250	<p>For further information, please refer to “Subscription of Units” and “Redemption of Units” in section 5 and 6 of the Product Summary for ILP.</p>
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CONTACT INFORMATION																											
<p>HOW DO YOU CONTACT US? More information on the sub-fund could be obtained from the following website: www.income.com.sg/fund/coopprices.asp</p> <p>Alternatively, you may contact our Customer Service Officers at 6788 1122 / 6788 1777 or email us at csquery@income.com.sg for more information.</p>																											

¹ For ILP sub-fund that feeds 100% into an underlying CIS fund, some of the information provided below could be similar to the underlying CIS fund.

APPENDIX: GLOSSARY OF TERMS

ILP	Investment-Linked Policy
China Interbank Bond Market	Mainland China interbank bond markets
NAV	Net Asset Value
Offer/Bid Basis	The offer price is the price that is used to purchase units, the bid price is the price that is used when units are sold. The difference in the bid offer price is known as spread. The spread helps to cover distribution costs, marketing and other general administration expenses.
Business Day	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.
CIS	CIS refers to Collective Investment Scheme, which has the meaning given to it under Section 2 of the Securities and Futures Act.